

The legislative clerk proceeded to call the roll.

Mr. CONRAD. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The distinguished Senator from North Dakota is recognized.

THE NOMINATION OF MITCHELL E. DANIELS, JR.

Mr. CONRAD. Mr. President, I want to speak briefly about the nomination of Mitch Daniels to be the head of the Office of Management and Budget. First of all, I want to say Mr. Daniels called me when he had been named and we had a brief, frank visit about the responsibilities of the Director of the Office of Management and Budget. I want to indicate that I will vote for his confirmation.

That is not the reason I rose to speak on his nomination. At his confirmation hearing Mr. Daniels indicated, in response to a question, that he would not support giving the same protection to the Medicare trust fund surpluses that we have agreed, on a bipartisan basis, to give to the Social Security trust fund surpluses. I want to indicate my strong disagreement with Mr. Daniels on that position. I think that is the entirely wrong position to take.

In fact, in the U.S. Senate, on a bipartisan basis, we voted overwhelmingly, last year, on a provision I offered to protect both the Social Security trust fund and the Medicare trust fund surpluses, to protect them against raids for other purposes.

Now Mr. Daniels has announced a policy of being willing to protect the Social Security trust fund but not the Medicare trust fund. I hope he will rethink that issue. I hope he will agree with what was a strong bipartisan vote here in the U.S. Senate last year, to protect both the Social Security trust fund and the Medicare trust fund surpluses. We should not permit raids of either one of them. We should not allow those funds to be used for any other purpose. Social Security funds should not be used for other spending. They should not be used for a tax cut. The Medicare trust funds should not be used for other spending. They should not be used for a tax cut. Those funds ought to be reserved for the purposes for which they were raised, which is to support the Social Security Program and the Medicare program.

I was disappointed when Mr. Daniels indicated he would not support protection of the Medicare trust fund. I think that is a profoundly wrong position to take. I hope he will rethink it. I certainly hope he was not speaking for this administration.

Again, I remind him and remind this administration that, on a bipartisan basis, last year on the floor of the Sen-

ate, we had 60 votes for the proposition that we ought to protect both the Social Security trust fund and Medicare trust fund. That is a policy supported by the American people that ought to be supported by the Office of Management and Budget. It was supported here on the floor of the Senate and I hope this administration will think very carefully about its position before they conclude they are going to adopt the position of Mr. Daniels.

Mr. REID. Will the Senator yield for a question?

Mr. CONRAD. I am happy to yield.

Mr. REID. The Senator from North Dakota and I, I think the ranking member of the Banking Committee, and others, were part of a debate that took place just a few years ago, where the then majority, the Republicans, were trying to use Social Security surpluses to offset the deficit. Does the Senator recall that?

Mr. CONRAD. I remember it very well. In fact they had what they called a balanced budget amendment to the Constitution but what they were doing to balance the budget was to raid the Social Security trust funds to achieve balance. That would have been an entirely phony balancing of the budget, I believe.

Mr. REID. So, as I hear what the Senator is saying, what he is afraid of is they are trying to use, now, the surpluses from Medicare to spend for other programs. Is that what the Senator is afraid of?

Mr. CONRAD. That is exactly what the new head of the Office of Management and Budget has announced in a hearing before Members of the United States Senate in the Government Affairs Committee. He said he is willing to protect the Social Security trust fund but he is not willing to protect the Medicare trust fund. They both ought to be protected. Neither one of them should be raided.

Mr. REID. I say to my friend from North Dakota, who is the Democrats' leader on the Budget Committee, that, as usual, when it deals with matters of finance—this is my personal opinion—there is no one better than the Senator from North Dakota. I appreciate very much his bringing this to the attention, not only of the Senate but the American people. We cannot let the Social Security trust fund moneys be used for anything other than Social Security. And we cannot let moneys set aside for Medicare be used for anything other than working to solve the terrible problem we have with seniors paying for their medical programs, including that which we want to do dealing with prescription drugs. So I personally appreciate the statement made by the Senator of North Dakota, focusing on this very vital interest.

Mr. CONRAD. I appreciate the comments of my colleague. I want to say we are talking about real money here.

The forecast of the Social Security trust fund surpluses over the next 10 years is \$2.7 trillion. The forecast of the Medicare trust fund surplus over the next 10 years is \$400 billion. We ought to protect them. We ought to wall them off. We ought to prevent anyone from using those funds for any other purpose.

That is why I was so disappointed in the statement of Mr. Daniels, the designee to head the Office of Management and Budget, when he indicated in response to a direct question that he would be willing to protect the Social Security trust fund but he would not be willing to protect the Medicare trust fund. What is the difference? It is just a difference in programs. They are both trust funds. It is not very trustworthy if you raid them and we should not permit any raid on them.

I just want Mr. Daniels and the administration to know that if they have an idea they are going to raid the Medicare trust fund, we on this side are going to oppose them every step of the way.

Mr. REID. I say to my friend, these should be trust funds, not slush funds. I know, being the person he is, monitoring the money for the Democrats in the budget process, and where it should go and should not go, he will be vigilant because he is, in effect, protecting not only the Senate, but the American people.

The PRESIDING OFFICER. The distinguished Senator from Maryland.

THE NOMINATION OF MELQUIADES RAFAEL MARTINEZ

Mr. SARBANES. Mr. President, I understand shortly the nomination of Mel Martinez to be Secretary of the Department of Housing and Urban Development will be before us. I rise in support of this nomination.

Mr. Martinez appeared before the Committee on Banking, Housing and Urban Affairs on January 17, where he made clear his commitment to providing affordable housing and economic opportunity for all Americans, both in his oral testimony and in his response to questions. His nomination was brought to the Senate floor with a recommendation for approval—a unanimous recommendation for approval in the committee.

Mr. Martinez has a compelling life story. His parents sent him to this country at the age of 15, with thousands of other Cuban children, as part of the "Pedro Pan" operation, in an effort to secure the liberty and opportunity that we enjoy as Americans.

He lived with a foster family, learned English, went to college and law school, practiced law for 25 years, and became deeply committed to serving his community. I believe this history has instilled in Mr. Martinez an understanding of and empathy for the less

fortunate that will serve him well in his new role as Secretary of HUD.

Mr. Martinez most recently served as the county chairman of Orange County, FL. Prior to that, he served on the Orlando Housing Authority Board of Directors for 4 years, including 2 years as its chair in the mid-1980s. He served as vice president of Catholic Social Services in the Diocese in Orlando throughout the 1980s and as president of the Orlando Utilities Commission from 1994 to 1997 and as a lawyer in his own firm. He has served his community in many ways as a volunteer member of numerous organizations.

As chairman of the Orlando Housing Authority, Mr. Martinez worked with his colleagues on the board to pass a measure that took about \$1 million of reserve funds to build affordable housing for the elderly, as well as transitional housing for low-income single mothers. He consistently showed a willingness to meet and work with residents of public housing and other low-income residents of distressed neighborhoods in Orlando.

These efforts lead me to believe that as Secretary, Mr. Martinez will make every effort to make good on his promise "to work hard to ensure that every American has every opportunity to have affordable housing."

Last year, a number of bipartisan proposals providing for funding the construction of affordable housing were offered in the Congress. I look forward to working with the new Secretary on legislation that will help us achieve the lofty goal he has set out.

As many of my colleagues know, HUD has had a history of being a troubled agency. While many of its programs do a good job of providing decent homes to millions of poor and working families, it has proven to be a difficult department to manage.

In 1994, in fact, HUD was placed on the General Accounting Office's high-risk list, the only agency to be so listed. However, as a result of concentrated efforts by Secretary Cuomo and his top staff, the GAO announced last week that HUD is now off the high-risk list. HUD achieved this result by working tirelessly to correct the problems in financial oversight and procurement systems. It is widely recognized that Secretary Cuomo has devoted significant time and effort to address these managerial issues, and I commend him for his success.

This is by no means to say all of HUD's problems have been solved, but it does mean that Mr. Martinez will take over the Department with a management system in place that is moving HUD in the right direction. In his confirmation hearing, Mr. Martinez made it clear that he understood the progress that has been made while committing himself to continue the efforts to improve the operations of the Department.

I was also encouraged that Mr. Martinez recognized the importance of the Community Reinvestment Act in making housing opportunities more available to all Americans. Several committee hearings have established the fact that CRA is a crucial tool that is needed to make a number of other housing programs effective. The low-income housing tax credit, the community development block grant, and the HOME program all depend, to some extent, on bank credit made available largely because of the CRA.

Finally, I note that this nomination has the support of a wide range of housing groups. A number of letters of support have been sent to the committee which are part of the hearing record. Included among these supporters are a number of industry groups, public housing organizations, and others. I note in particular a very strong letter of support sent to us by our former colleague, Senator Mack, who has high praise for the nominee.

Mr. President, I ask unanimous consent that Senator Mack's letter be printed in the RECORD at the conclusion of these remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 1.)

Mr. SARBANES. Mr. President, Mel Martinez understands the job ahead of him. He has committed to expanding housing opportunities for all Americans. I look forward to working with him, and I commend his nomination to my colleagues for their approval.

Mr. President, I yield the floor.

EXHIBIT 1

WASHINGTON, DC,
January 16, 2001.

Hon. PAUL S. SARBANES,
*Chairman, Committee on Banking, Housing,
and Urban Affairs, Dirksen Building, U.S.
Senate, Washington, DC.*

DEAR CHAIRMAN SARBANES: As a former member of this committee, it is an honor and privilege to introduce my friend Mel Martinez, Secretary-designee of the United States Department of Housing and Urban Development.

As a fellow Floridian, I have had the opportunity to know and personally work with Chairman Martinez in his various roles in local county government since the early days of my Senate career. I have found him to be an exceptional individual who has the intelligence, integrity and compassion to guide this agency and serve its constituents.

The Secretary-designee through his life experiences understands the courage, drive and determination it takes to achieve the American dream. As you and I know, very difficult problems can be overcome when individuals work together. Mel Martinez understands what it takes to bring people together with a deep concern for those who are less fortunate and striving for a better future. With his personal perspective and insight, I am sure you could not find a better person to improve the lives of those that look to us for assistance.

Therefore, with complete confidence, I strongly recommend Mel Martinez and urge your favorable consideration of him for Secretary of Housing and Urban Development.

Sincerely,

CONNIE MACK.

The PRESIDING OFFICER. The distinguished majority leader is recognized.

Mr. LOTT. I thank the Chair.

UNANIMOUS CONSENT AGREE-
MENT—EXECUTIVE NOMINA-
TIONS

Mr. LOTT. Mr. President, in executive session, I ask unanimous consent that the Senate now proceed en bloc to the consideration of the following nominations: Executive Calendar No. 7, Mitchell E. Daniels, Jr., to be Director of the Office of Management and Budget; Executive Calendar No. 8, Anthony Principi to be Secretary of Veterans Affairs; Executive Calendar No. 9, Melquiades Rafael Martinez to be Secretary of the Department of Housing and Urban Development.

I also ask unanimous consent that at 2:45 p.m. the Senate proceed to a vote on the nominations en bloc, and further, that one rollcall count for three votes with respect to the nominations. I further ask unanimous consent that the motions to reconsider be laid upon the table and the President be notified of the Senate's action.

I further ask unanimous consent that the Finance Committee be discharged from further consideration of the nomination of Gov. Tommy Thompson, to be Secretary of Health and Human Services, and the Senate proceed to the immediate consideration of the nomination, with the time on the nomination as follows: 60 minutes under the control of Senator WELLSTONE; 40 minutes for the chairman and ranking member of the Finance Committee; 10 minutes under the control of Senator FEINGOLD; 10 minutes under the control of Senator KENNEDY; and that following the use or yielding back of time, the nomination be laid aside and the Senate proceed to a vote on the nomination at 11:30 a.m. on Wednesday, and following the confirmation, the motion to reconsider be laid upon the table, the President be notified of the Senate's action, and the Senate resume legislative session.

The PRESIDING OFFICER. Is there objection?

Mr. REID. Reserving the right to object, will the majority leader allow 10 minutes under my control, which may or may not be used, following that of Senator KENNEDY?

Mr. LOTT. I amend the UC to that effect: 10 minutes under the control of Senator REID following Senator KENNEDY.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, let me reiterate, we will have the one vote now for the three nominees en bloc. We will then have time for debate on the nomination of Gov. Tommy Thompson to be Secretary of HHS. The next recorded vote will be at 11:30 a.m. on Wednesday,